

2022-23 Annual Pricing Review

Terms of Reference

Overview

1. The supply of disability goods and services in Australia continues to undergo significant reform since the creation of the National Disability Insurance Scheme (NDIS) on 1 July 2013. The National Disability Insurance Agency (NDIA) has the responsibility for administering the NDIS and facilitating the markets for disability goods and services. Further information on the markets for disability goods and services can be found on the NDIS [website](#).
2. Where possible, the NDIA utilises market mechanisms to deliver the level of supply required to meet participant demand and deliver the required mix of goods and services. These are produced at market clearing prices, also known as the efficient prices, to meet the needs of participants. However, in non-existent or underdeveloped markets, reliance on deregulated market mechanisms may not meet participant demands, deliver adequate supply, deliver the required mix of disability supports or produce efficient prices.
3. To address these issues, the NDIA has a role, as market steward, to create an efficient and sustainable marketplace through a diverse and competitive range of suppliers, who can meet the structural changes created by a consumer-driven market. As market steward the NDIA has responsibility for:
 - (a) empowering people supported by the NDIS to exercise choice and control
 - (b) maintaining and expanding the supply of high-quality disability supports
 - (c) driving efficiency and innovation in the market for those supports and
 - (d) supporting the transition of the NDIS over the longer term to a more deregulated outcomes-based approach.
4. As part of its market stewardship role, the NDIA caps the prices that registered providers can charge for some supports and applies other price controls, including billing rules. These are set out in the *NDIS Pricing Arrangements and Price Limits* and associated documents, which are available on the NDIS [website](#).
5. During transition, price controls are in place to ensure that participants receive value for money care. In the short to medium term, price controls are required for some disability supports because the markets for disability goods and services are not yet fully developed. The longer-term goal of the NDIA is to remove regulatory mechanisms from the markets for disability supports.
6. The NDIA continually monitors and reviews its price control framework and other market settings to determine whether they are still appropriate. The Annual Pricing Reviews are an important part of that monitoring and review process.

Scope of the Annual Pricing Review

7. The Minister for the National Disability Insurance Scheme (NDIS) announced the NDIS Review in October 2022. The Review is expected to consider the following (among other matters) which have the potential to have strategic implications for future pricing arrangements:
 - (a) Pricing regulation and the possibility of moving to a more deregulated approach to pricing
 - (b) Provider regulation including review of the quality and safeguards framework and consideration of the application of provider registration and
 - (c) Pricing structures (where all supports are using a fee for service model) and the possibility of introducing other options, such as outcomes-based funding and alternative approaches to commissioning of supports.
8. The NDIS undertook a comprehensive review of its pricing arrangements in 2021-22. The results of that review are available on the NDIS [website](#). This year's annual price review will concentrate on those issues that require attention prior to the conclusion of the broader NDIS Review.
9. The Annual Pricing Review will examine, through public submission involving participants, providers, community and government stakeholders and targeted research, whether the Scheme's existing price control framework (pricing arrangements and price limits) continues to be appropriate or should be modified.
10. In particular, the Annual Pricing Review will review the pricing arrangements and price limits:
 - (a) that apply to supports delivered by disability support workers by updating the *NDIS Cost Model for Disability Support Worker*, with a particular emphasis on the Temporary Loading of 2.0% and the impact of the changes that were made to the Social, Community, Home Care and Disability Services Award 2010 in 2022 (AM2018/26).
 - (b) for support coordination and plan management to encourage innovation, improve quality of service and ensure value for money.
 - (c) for therapy supports to ensure participants receive value for money, while providers strive to improve quality of service and increase efficiency.
11. In framing its recommendations, the Annual Pricing Review will be cognisant of the objects and principles set out in the *National Disability Insurance Scheme Act 2013*, including that the NDIS should:
 - (a) Support the independence and social and economic participation of people with disability
 - (b) Enable people with disability to exercise choice and control in the pursuit of their goals and the planning and delivery of their supports
 - (c) Facilitate the development of a nationally consistent approach to the access to, and the planning and funding of, supports for people with disability
 - (d) Promote the provision of high quality and innovative supports that enable people with disability to maximise independent lifestyles and full inclusion in the community

- (e) Adopt an insurance-based approach, informed by actuarial analysis, to the provision and funding of supports for people with disability and
- (f) Be financially sustainable.

Process and timing

12. The Review will commence in March 2023 and deliver updates and recommendations to the NDIA's Pricing Reference Group and Board, for implementation from 1 July 2023.

Key Dates

- The week beginning 13 March 2023:
 - Release of Terms of Reference
 - Release Consultation Paper and call for submissions
- 13 April 2023: closing date for submissions to Review.
- End of May 2023: outcome of the NDIA's Board decision on the Annual Pricing Review recommendations.
- June 2023:
 - Announce results of the Annual Pricing Review
 - Release of NDIS Pricing Arrangements and Price Limits for 2023-24
 - Release final price limits (after the Fair Work Commission's Annual Minimum Wage Decision).
- 1 July 2023: implementation of new pricing arrangements.

Further information

13. Further information on the Review is found on the NDIS website on the [Annual Pricing Review page](#).